THE FINANCIAL SITUATION.

The general undertone of the stock market was distinctly firmer last week, and there was an unquestionable improvement in that shifting and uncertain thing known as speculative sentiment. While there were no extremely important developments in the market one way or the other the general run of happenings was in favor of values, chief among them being, perhaps, a perceptible growth in the demand for bonds. This was clearly enough shown in the announcement of the sale on Friday of $29,000,000 worth of the 4 per cent. fifteen year debenture bonds of the New York, New Haven and Hartford Railroad Company exclusively to French and German investors. A sort of background, also, to the more cheerful feeling that was plainly in evidence was a vague but nevertheless strong impression that pessimism regarding the financial situation had been very considerably overdone. People found themselves asking each other about a fortnight ago just why they were selling stocks and an analysis of these reasons and some little careful taking of thought regarding the low levels to which prices of stocks had fallen and the positive fact that at the range of prices thus brought about there was no longer any particular disparity between interest return upon these securities and the rate for the use of money on call and on time proved to have encouraging results. For one thing, general gratification was expressed, and particularly in high financial quarters, over the splendid way in which business throughout the country was keeping up. This pleasure was, it is true, something in the nature of a paradox, for our great bankers have been telling us that what we really need at the present time is more of a letting up in business than an increase in it. What these authorities have in mind is, presumably, that it would be well if there was a moderation of that excessive activity in certain lines of business that has been noted for one or two years back, such, for instance, as in the speculation in real estate, in plans for building construction and perhaps in certain classes of railway expenditures; and in expressing pleasure over the abatement in the outlays of money that is visibly taking place in these directions they mean that such curtailment of expenditures is going on without proving to be a deterrent factor in the business of the country as a whole. General business is certainly running on in an astonishing manner. The great majority of all the manufacturing establishments which are asked for a statement of conditions reply that their orders for goods are about double what they were last year at this time. The decline in the stock market has thus far at least failed to impair the general prosperity of the country, and it is only natural that realization of this should begin to bring optimism once more into the financial district.

In the northwestern section of the country all business this winter has been checked to a greater or less extent by the snowstorms and cold weather, and this is beginning to show in railroad earnings; and it appears that business throughout the West as a whole is hampered by the congestion of freight traffic upon the Eastern as well as upon the Western railway lines. Every one knows, however, that in the spring months the traffic that is thus held up will move as usual and that the net earnings of the railways and other enterprises interested will be benefited accordingly. Meantime it is admitted that this inability to get grain quickly to market has interfered with our export trade in agricultural products. There was a falling off in our foreign shipments of wheat and corn of over $11,000,000 during the month of January; but, on the other hand, there was a huge gain in this month of nearly $31,000,000 in our exports of cotton, so that for the month in its entirety the record of our exports of these commodities increased roundly over the enormous total shown in the year preceding. It has been obviously a great year for our cotton planters. It now seems that the year's cotton crop is likely to be as great as 13,000,000 bales, or 1,500,000 larger than was commonly estimated after the adverse weather conditions met with by the crop in September and October last year; and this great crop has been rushed to market quicker than ever before known and has been sold thus far at an average price of not far from 10½ cents a pound. What help this has given to our export trade can be realized at a glance; and there is again presented for consideration questions regarding the probable true state of our foreign trade balance at this time. All the evidence as it comes to hand is corroborating in the strongest way the statement that our leading bankers have been making for months past that despite the assertions made in the newspapers as to the large amount of our foreign indebtedness, and particularly in the cable reports of the opinions entertained on the subject in foreign financial circles, our debit balance abroad was relatively small. It is becoming to be more and more a disputed question whether the maintenance by the Bank of England of a 5 per cent. discount rate, accompanied with the steady continuance in this market of a price for sterling exchange well below the point at which gold can be imported, is an indication of English strength or weakness in financial matters. The old adage may still be true that when the Old Lady of Threadneedle Street takes snuff the whole world must sneeze, but it is becoming pretty apparent that a larger pinch of snuff than ever before known is required to produce the sneeze. In the seven months of the fiscal year to date we have exported over $600,000,000 worth of products of our farms, and to the credits thus created, mostly of course in Europe, must be added those proceeding from the sales of manufactures. The net balance of trade in our favor for the year will probably be, indeed, not far from these same figures. Is it possible that this has all been turned against us by the borrowing of our capitalists and speculators? It may be too early to dogmatize on the matter, but it begins very much to look as if the gold imports as they are now trickling along represent collections from European debtors rather than any lendings of money by European financial houses. In this relation, too, must be mentioned another circumstance, and that is that there has been a strong upward tendency in the price of wheat and corn in our markets recently, based wholly upon the now well authenticated fact of damage to the harvests in other countries. Wheat for the first time in history has actually been engaged in this country for shipment to Russian ports, and there is no doubt that the prospect is for a lessened crop yield in Argentina. These forces, of course, must be helpful in the largest way to our farmers and to the general interests of our own country. It might not be improper to refer briefly at this time to the hostile sentiment regarding American securities that it is said has been witnessed of late among English investors. The newspapers have had a great deal to say about this and have printed long interviews with English financial people of all sorts dealing with the matter. There is generally a denial on the part of English bankers that any such hostility of sentiment exists, as the words are ordinarily understood. That it does exist, however, is unquestionable. A salient feature of the English character is its pride, and the pride of Englishmen has lately been sorely wounded by the fact that the London financial market is no longer the commanding market of the world—or at least not commanding in the sense that it once was—and that English bankers have been forced as the result of the prosperity in this country and in Germany to the use of extraordinary measures to maintain their country's financial position. This injured pride has assumed the form of sales of American stocks, and it has also led to the creation in England of a considerable short interest in American securities, and results of the establishment abroad of this speculative account for the decline are already beginning to make themselves felt.

The future of our security market still depends upon two things—the money situation as it will slowly unfold and the attitude of State and national governments toward corporate enterprises. It is hard to say which one of these matters is the more important. Prospects regarding the first of them certainly seem at the moment to justify a brighter prognosis of the security market than could have been indulged in a little while ago. The money situation is clearly becoming easier. The banks throughout the country have now covered into the Sub-Treasury the last of the $12,000,000 of the special deposit fund of public money that was granted to them by Secretary Shaw last year, and it is known that there will be no call from the banks for the remaining $30,000,000 that was also left in their care last fall, as long as the general Treasury surplus continues to enlarge in the way that it is now doing. The Secretary of the Treasury's recent offer to buy $25,000,000 of the maturing 4 per cent. bonds of 1907 at a price of 101½ has not thus far provoked any offers of importance to sell these securities. On the other hand, the bonds in question, amounting to $113,000,000, must be refunded and paid off not later than July 1, and it may be taken as certain, therefore, that some time within the next three months there will be a release in the open market of at least $50,000,000 of the public funds on this account, since the probabilities are that holders of fully this amount of the bonds in question will not desire to take 2 per cent. Government securities in their place. Meantime the Bank of England, despite large shipments of money to Brazil and Argentina, where national currency reform projects and coffee valorization schemes are in process of execution, has been still enabled to build up its reserve to a level exceeded on only a few occasions at this time of the year in the course of the last decade, and the bank would unquestionably reduce its rate of discount were it not for the dreaded and impending shipments of gold to this country. Meanwhile the gold bullion continues to flow into all the world's financial markets from the great producing centres, over $8,000,000 being now on the ocean "pointed" to England from the Transvaal alone, and the steady influx of the precious metal is having a slow but sure effect upon the price of money in the world's market. The belief is, therefore, among those who are expert in such matters that rates for the use of time money here have by no means yet touched their low point for the year.

It is hard to say just at this moment what are the definite prospects for legislation at Washington regarding the currency in the remaining small number of days of the session of Congress, but the pleasant development is that no one seems to object on principle to the amendments of the currency laws that have been introduced. These amendments are not, certainly, in the nature of any novel financial departure and they cannot be said to partake of the nature of inflation. All that they aim to do is to give the people of the country the use of their own money instead of having this money locked up in the Government vaults and to allow the national banks to take out circulation freely under all the restrictions at present imposed upon this process, knowing that they can retire it freely if they wish to do so. There is a general demand, too, that some means should be taken of getting into circulation the large amount of gold coin now in the Treasury vaults. If, as is proposed, gold certificates could be issued against the eagles as well as the double eagles that have been minted the circulating medium of the country would be considerably increased. There are some definite signs, finally, that the fever of agitation against corporations is subsiding. It is beginning to be recognized that this is hurting business, and it is understood that the labor interests have caused it to become known in proper quarters at Washington that propositions of a sort that were being agitated would prove to be decidedly disadvantageous to their concerns. In the stock market itself during the week more attention than anything else seemed to be converged upon the matter of the declaration on Thursday of the semi-annual dividends upon the common stocks of the Union and Southern Pacific railway companies. These dividends were at the regular rate of 10 and 5 per cent. per annum. There were people who had indulged in hopes of an advance in the Southern Pacific's semi-annual distribution, and although such hopes were not at all general it must be said that an advance in the Southern Pacific's semi-annual dividend rate at the next regular time for taking such action seems absolutely inevitable. The Southern Pacific company in the fiscal year ended July 1 last made net earnings of 11.6 per cent. applicable to dividends on its common shares. In the first half of the present fiscal year these net earnings have already increased $4,880,000, and as railway business in the Southwest is more flourishing than it is anywhere else in the country there is every prospect that the Southern Pacific's increase in net earnings for the whole year will be at least $10,000,000. The strong chances are, in other words, that the company will this year earn between 14 and 15 per cent. on its common stock. The practical surety is that the stock cannot remain much longer on a 5 per cent. dividend basis.

FINANCIAL AND COMMERCIAL.

RAILROAD AND OTHER BONDS.

Sales.	Bonds.	High-est.	Low-est.	Clos-ing.	Net Ch'ge.	1906 High.	1906 Low.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RAILROAD AND OTHER SHARES.

Sales.		High-est.	Low-est.	Clos-ing.	Net Ch'ge.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
100	U S Red & Ref pf	63¾	63¾	63¾	+ 2¾
6740	U S Rubber	52½	51	52¼	+ 1
2100	U S Rubber 1st pf	107⅞	106⅝	107¾	+ 1¼
1210	U S Rubber 2nd pf	77	78¼	77	+ ⅝
256590	U S Steel	46⅝	44¼	46⅝	+ 2⅛
27045	U S Steel pf	105⅜	104¾	105⅛	+ ⅜
2400	Va-Carolina Chem	35¼	33¼	35	+ 1
225	Va-Caro Chem pf	108	108	108	+ 1¾
200	Va I C & C	89½	88	88	+ ½
160	Vulcan Detin'g pf	56½	56½	56½	— ½
1900	Wabash	17	16	17	+ ¾
3470	Wabash pf	34¼	31	32⅝	— ⅝
852	West Union Tel	83½	83	83½	+ ⅞
1210	Wheeling & L E	12⅞	12⅛	12⅞	+ ⅜
3160	Wh'l'g & L E 1st pf	33¼	32	32	— ½
1100	Whl'g & L E 2nd pf	19¾	18	19¾	
280	Wisconsin Cent	22⅝	22⅝	22⅝	+ ¼
150	Wis Central pf	47	47	47	+ ½

Total sales of stocks, 3,789,600 shares.

*Ex dividend. †Ex rights.

THE OUTSIDE MARKET.

Transactions in detail in the market during the week were as follows.

Sales.		Open-ing.	High-est.	Low-est.	Clos-ing.
1650	Amer Can	6⅛	6⅜	6⅛	6⅜
1885	Amer Can pf	55	55¾	54½	55¼
30	Amer Tobacco	380	380	380	380
2325	Alaska Min Sec	1⅜	1½	1¼	1⅜
2800	Amal Nevada	3⅝	3¾	3½	3¾
9534	British Col Cop rts	1¼	1⅜	1⅛	1¼
5310	British Col Cop	10⅛	10½	10	10¼
4175	Boston Con Cop	30½	31¼	30½	30¾
2430	Butte Coalition	38	38⅝	36⅞	37¼
2400	Butte New York	7	7½	6¾	7⅜
300	Bingham Central	1⅜	1⅜	1¼	1¼
1250	Barnes King	5¼	5¼	5	5
800	Bonanza Creek	10	10¼	9½	9⅞
300	Cananea Cent Cop	35⅜	35¾	35¼	35⅝
197350	Cobalt Central	53	53	45	50
3270	Cons Arizona	5⅜	5½	5⅜	5½
2220	Cumberland Ely	11⅞	12¼	11⅝	12
100	Central Foundry	3¼	3¼	3¼	3¼
1200	Central F'dry pf	15½	16¾	15½	16

Sales.		Open-ing.	High-est.	Low-est.	Clos-ing.
13065	Chicago Subway	28⅞	29	27	28½
100	Con Refrigerator	4¾	4¾	4¾	4¾
22	Con Rubber Tire	7½	7½	7½	7½
200	Con Rub Tire pf	24	25	24	25
11600	Davis Daly Estate	18⅝	19⅝	18¼	19
8420	Douglas Cop	20	22½	19¾	22
12534	Dominion Cop	6¾	8	6¾	7⅞
800	El Rayo & Desc'd M	5¾	6¼	5¾	6¼
200	Electric Boat	35	35	35	35
100	Electric Boat pf	81	81	81	81
5000	Ely Con	2½	3	2½	2¾
1800	Ely Central	6	6	6	6
3685	Furnace Cr'k Co	2⅛	2¼	2⅛	2⅛
780	Foster Cobalt	2⅜	2¾	2¼	2¼
6755	Giroux Cop	9⅞	10⅝	9⅞	10½
16700	Gold Hill Cop	4½	4¾	4½	4¾
900	Guggenheim Exp	295	295	285	290
5485	Gt Northern rts	19¾	21½	19¾	20½
28500	Greene Con Cop	31½	33¾	31¼	32
30200	Greene Gold-Silver	1 15-16	2⅛	1 15-16	2⅛
8200	Greene Gold-Sil pf	8	8¾	8	8¾
12500	Greene Cananea	22⅜	25½	22	22
1591	Guanajuato Min	4⅝	4⅞	4⅝	4¾
100	Havana Tobacco	13	13	13	13
60	Havana Tob pf	24	24	20¼	20¼
10	Inter Mer Mar	10	10	10	10
100	Inter Mer Mar pf	28¼	28¼	28¼	28¼
314	International Salt	15½	18¾	15¼	18¾
3120	King Edward	2	2⅛	1⅞	2
335	Lake Sup & Pitts	28	28	27¼	27¼
5565	Micmac Gold Min	6¾	6⅞	6⅜	6½
725	Mong Shoshone Con	13¼	13¼	13¼	12¾
3850	Mines Co of Am	2⅛	2½	2⅛	2⅛
5200	McK Dar Sav M Co	2⅛	2 3-16	2⅛	2⅛
15	Marconi W. T of Am	17	17	17	17
950	Manhattan Transit	5½	5⅝	5½	5¼
8494	Mitchell Mining	5⅞	6	5½	5⅝
11800	Nevada-Utah	4½	5¼	4⅜	5
200	Nevada Cop M & S	2⅛	2⅛	2	2
66600	Nipissing Mines Co	12	14⅝	11⅞	13⅝
9325	Newhouse M & S	19⅛	19⅞	19	19⅞
1100	Nevada Goldfield	17	17½	16¾	17½
1140	Nev Smelting & M	4¾	4⅞	4⅝	4⅝
1100	Nev Con Mining	17⅝	18	17⅝	17½
3300	Old Hndrd M Co	3⅝	4	3½	3⅝
70	Standard Screw	88¼	88¼	88¼	88
16345	Stewart Mining	2⅜	2¾	2⅜	2 7-16
338	Standard Oil	540	542	535	542
3697	Trinity Cop	37	38	29⅞	30
8500	Tennessee Copper	48⅞	50½	48⅞	50
200	Tintic Company	6¼	6¼	6	6
425	Tonopah Mining	16½	16⅝	16	16⅝
1460	Tonopah Extension	4⅞	5	4⅝	4⅝
15	Union Copper	11-16	11-16	11-16	11-16
111900	United Copper	73½	74½	73	73⅝
95	United Copper pf	98	98	98	98
5200	Utah Copper	39½	40	38¾	39¼
400	Utah Copper rts	1⅜	1⅜	1⅜	1⅜
200	Utah Apex Cop	8	8	8	8
7350	Ward S. S. Line w i	31	33	30¾	32⅞
11900	Western Ice	27½	28½	27½	27⅞
2500	White Knob Cop	½	½	7-16	7-16
2065	White Knob Cop pf	2¾	3⅜	2¾	2⅞
12700	Waterbury Co	48½	52	48¼	51⅞
1405	Waterbury Co pf	103½	103⅞	103⅜	103⅞
	BONDS.				
97000	Allis-Chalmers 5s wi	80¾	81¾	80¾	81½
3000	Am Writ Paper 5s	85	85	85	85
1000	Central Fndry 6s	72	72	72	72
5000	Havana Tob 5s	61	61	61	61
5000	Jer C Hob & Pat 4s	71¼	71¼	71¼	71¼
45000	Int Mer Ma 4½s	75	75¼	75	75
50000	Morning Tel 6s	92	92⅝	91⅞	92½
5000	Public Ser Corp ctfs	95	95	95	95

Court Calendars This Day.

Supreme Court—Appellate Division.—Adjourned until Tuesday, February 19, 1907, at 1 P. M.

Supreme Court—Special Term.—Part I. Motion calendar called at 10:30 A. M. Part II.—Ex parte matters. Part III.—Case unfinished. Motions—Demurrers—Nos. 1409, 1235, 1404. Preferred causes—Nos. 6400, 4736, 5504, 6432. General calendar—Nos. 5498, 5452, 5382, 4852, 5285, 4286, 5468, 5325, 5374, 5124, 3864, 3917, 4856, 5314, 5450, 335, 3670, 3512, 1192, 631, 3709, 4058, 4239, 4311, 4314. Part IV.—Case unfinished. Cases from Part III. Part V.—Case unfinished. Cases from Part III. Part VI.—Case unfinished. Elevated railroad cases. Part VII.—Case unfinished. Case from Part III. Trial Term.—Part II.—Clear. Short causes—Nos. 3033, 3054, 3241, 2978, 2098, 1644, 2732, 2922, 2518, 2839, 2677, 2722, 1129, 3065, 2833, 3089, 3142, 3151, 2911, 2912, 3060, 3160½. Part III.—Clear. Nos. 1994, 509, 514, 521, 541, 542, 378, 554, 558, 241, 295, 306, 307, 313, 411, 440, 405, 337, 339, 83, 413, 439, 448, 458, 475, 477, 478, 479, 480, 481, 486, 376, 1983, 417, 495, 510, 215, 216, 2104. The following cases will be called at 4 P. M.: Nos. 491, 492, 504, 508, 512, 516, 518, 519, 520, 523, 524, 525, 526, 528, 529, 530, 532, 537, 538, 539, 543, 545, 546, 547, 548, 551, 552, 555, 556, 557, 560, 304. Part IV.—Clear. Part V.—Clear. Part VI.—Clear. Part VII.—Case unfinished. Cases sent from Part III. to Parts IV., V., VI. and VII. Part VIII.—Clear. Nos. 269, 3625, 3605, 868, 679, 874, 902, 905, 913, 358, 368, 542, 213, 857, 615, 926, 949, 957, 969, 832, 631, 978, 1004, 1014, 1017, 1057, 1043, 3987, 770, 921, 928, 929, 931, 943, 708, 965, 761, 911, 866, 1021. The following cases will be called at 4 P. M.: Nos. 944, 946, 948, 959, 961, 963, 964, 967, 974, 976, 977, 979, 980, 981, 982, 983, 984, 985, 994, 997, 999, 1011, 1016, 1023, 1025, 1026, 1032, 1033, 1035, 1038, 1040, 1041, 1045, 992, 387. Part IX.—Case unfinished. Part X.—Case unfinished. Part XI.—Clear. Part XII.—Clear. Part XIII.—Case unfinished. Cases sent from Part VIII. to Parts IX., X., XI., XII. and XIII. Part XIV.—Case unfinished. Nos. 1007, 521, 856, 1087, 999, 1274, 484½, 485½, 526, 836, 631, 671, 785, 179, 2717, 576. Part XV.—Case unfinished. Part XVI.—Clear. Part XVII.—Clear. Cases sent from Part XIV. to Parts XV., XVI. and XVII.

Surrogates' Court—Chambers—For probate—Wills of Philip Blass, Oscar C. Mathews, Charles G. Spencer, Charles Grassell, Henry L. Hauck, George F. Seymour, John J. Lynch, Edward Schwartz, George A. Barker, Frederick W. Crane, Mary Hart, Robert White, at 10:30 A. M.; Charles S. Cook, Joseph Stephen, Eliza McCarthy, Otilda Zimmerman, at 2:30 P. M. Trial Term.—No. 2295, will of August Horthan; No. 2300, will of Delia M. Dessauer; No. 2307, will of Charles Fasa, at 10:30 A. M.

City Court—Special Term.—Court opens at 10 A. M.—Motions. Trial Term.—Part I.—Case unfinished—Nos. 1326, 1972, 2017, 2015, 1975, 2004. Part II.—Clear. Nos. 2080, 2119, 2120, 2122, 2126, 2195, 2203, 6903½, 1811, 1725, 2062, 1860, 1529, 1580, 996, 1098, 1099. Part III.—Clear. Nos. 1763, 1779, 1780, 2043, 2046, 2050, 2054, 2055, 6332, 1750½, 2084, 2127, 2130, 2134, 2136, 2137, 2138, 2143, 2144, 1772, 2028, 2028½, 2048, 2069, 2076, 2077, 2141, 1411, 1968, 2072, 2073, 2074, 2082, 2083, 2131, 2147, 1740, 944, 1736, 1741, 3850, 1066. Part IV.—Clear. Short causes—Nos. 6600, 6678, 5345, 6701½, 6551, 6486, 6512, 6754, 6674, 6960, 6813, 7003, 6594, 6204, 6640, 6329, 4374, 6429, 6104, 6742, 6561, 5392, 6601, 6671, 6074, 6504, 6402, 6495. Part V.—Clear. Nos. 1840, 1919, 2088, 1669, 2102, 2149, 1927, 1924, 1923, 1650, 827, 1442, 7024½, 2036, 2085, 2059, 2093, 2103, 2098, 2100, 2106, 2156, 2087, 2092, 2152, 2154, 2157, 2158.